



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 7, 2001

CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 8708

William E. Kraemer, V.P.

MCNIC Pipeline & Processing Company

150 West Jefferson Ave., Suite 1700

Detroit, Michigan 48226

CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 8715

Mr. Lonnie Hogan

Uintah County Road Department

P.O. Box 291

Vernal, Utah 84078

Re: Review of Update Information, Crown Asphalt Corporation, Asphalt Ridge Oil Sands Mine, M/047/032, and Uintah County Asphalt Ridge Mine, M/047/022, Uintah County, Utah

Dear Mr. Kraemer and Mr. Hogan:

The Division has completed a review of the information received from Crown on September 11, 2000, and from Uintah County on August 10, 2000. The Crown map of September 2000 appears to provide a more accurate description of the current surface conditions. We appreciate the efforts by Crown to update the previous map in response to our request, and we also appreciate the cooperation between Uintah County and Crown. Photocopies of the Crown September 2000 map are enclosed for your reference.

The update information from Crown and Uintah County has generally addressed the four areas of concern described in the Division's May 19, 2000, letter by providing:

1. updated surface facilities maps and a description of the reclamation responsibilities for the disturbed areas;
2. updated descriptions of the current mining operations;
3. agreements between Crown and Uintah County regarding mining and reclamation responsibilities at the site; and
4. updated reclamation plans for features modified from the original approved plans.

Page 2

Crown – Uintah County

M/047/032 & M/047/022

March 7, 2001

A review of the update information from Crown, Uintah County and Division files has generated several issues that need to be addressed. These issues are described below. ***Please provide a response addressing these issues of concern within 60 days of your receipt of this letter.***

ISSUES OF CONCERN – M/047/022 AND M/047/032

- Crown's annual report for 1998 lists 23 acres of total disturbance and 0 acres of additional disturbance (for this reporting year). Crown's annual report for 1999 lists 19.6 acres of total disturbance, 0 acres reclaimed, and 2 acres of additional disturbance created during the past year. Please explain this discrepancy.
- The latest copy of the "Agreement" between Crown and Uintah County lacks the date the agreement was entered into on page one, and lacks the signature of Jay Mealey for Crown on page four, as the previous copy lacked. Please provide a complete and fully signed copy of this agreement to verify it is actually in effect. The "Agreement" between Crown and Uintah County expires on December 31, 2001. What are the plans for another cooperative agreement beyond that date?
- The map received from Crown with the September 1, 2000 letter, lacks an acreage figure in the map legend for the category of "Crown Mining Disturbed." Division measurements off this map at a scale of 1 inch = 200 feet give approximately 18.8 acres for this area. Please confirm this measurement or provide your own figure for this area.
- The September 2000 map lists the disturbance in the legend for "Crown Proposed Disturbed" category as 49.75 acres. Division measurements of the plant/processing facilities area off this map give approximately 10.1 acres for this area. Please confirm this measurement or provide your own figure for this area. The September 1996 approved plan describes the proposed processing facilities disturbance as five acres. The increase in processing area disturbance from the approved plan will need to be accounted for in the reclamation surety review which is due this year 2001. The approved plan acreage being referenced is from the Operation Plan section on page seven of the September 20, 1996 plan.
- The current Reclamation Contract (MR-RC) describes a total permit disturbance of 25.5 acres and a reclamation surety amount of \$138,701 calculated in year 2001 dollars. Based on the Division measurements of the September 2000 map, Crown's operations currently affect 28.1 acres. The increase in total disturbance from the approved plan will need to be accounted for in the reclamation surety review that is due this year (2001).
- Uintah County amended their plan in June 1996 to include a ten-acre area located in the N½ N½ NE¼ Section 31, T4S, R21E, for a total disturbance of 80.5 acres. This area is partially included in the "Crown Mining Disturbed" category as shown on the September

Page 3

Crown – Uintah County

M/047/032 & M/047/022

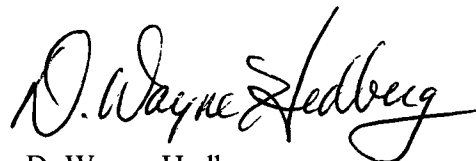
March 7, 2001

2000 map. This amendment area description also includes the area in the NE¼ NE¼ Section 31 which is not coded as disturbed or reclaimed on the September 2000 map. Is there a ten-acre disturbance in this area that is the reclamation responsibility of Uintah County? Please explain.

- The currently approved permit acreage for Uintah County is 80.5 acres. The September 2000 map lists the "County Disturbed" category as 70.5 acres and the "County Reclaimed" category as 20 acres, for a total of 90.5 acres. Division measurements of this map at a scale of 1 inch = 200 feet give the "County Reclaimed" area as 18.1 acres and the "County Disturbed" area as 43.4 acres, for a total of 61.5 acres. Please confirm these measurements or provide your own figures for these areas.
- The 20-acre "County Reclaimed" area shown on the Crown 2000 map may be eligible for reclamation release, however portions of this area may be ineligible, due to being redisturbed. A majority of this area may still be eligible for full reclamation release. The Division will need to evaluate the revegetation success of this area during the spring 2001.

Crown and Uintah County's joint cooperation in responding to this request is encouraged by the Division. If you have any questions regarding this letter do not hesitate to contact me at (801) 538-5286, or Tony Gallegos at (801) 538-5267. Thank you for your continued cooperation.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb

Enclosure: September 2000 map

cc: Jay Mealey, Crown Asphalt Corp., 215 South State, Suite 650, SLC, UT 84111

Mary Ann Wright, Associate Director

O:\REVIEW\crown-uinta2-26.doc